

X. Department of Administration – Representatives from Affected Agencies

On October 5, 2001, the Department of Administration submitted a composite request on behalf of state agencies requesting reallocations of state operations reductions included in 2001 Wisconsin Act 16. Agencies submitted their requests to both the Department of Administration and the Legislative Fiscal Bureau for review in preparation for the Committee's s. 13.10 meeting.

Governor's Recommendation

Approve the requests for the following agencies: Department of Administration; Department of Agriculture, Trade and Consumer Protection; Department of Commerce; Elections Board; Department of Employment Relations; Ethics Board; Judicial Commission; Department of Military Affairs; State Public Defender; Wisconsin State Historical Society and Department of Workforce Development.

Approve the requests with technical modifications noted in the analyses for the following agencies: Department of Health and Family Services and Department of Revenue.

Approve modified plans as outlined in the analyses for the following agencies: Department of Corrections; Department of Justice; and Department of Natural Resources.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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Date: November 1 , 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration *George Lightbourn*

Subject: Section 13.10 Request from the Department of Administration on Behalf of State Agencies Proposing Reallocations of Five Percent State Operations Reductions

Request

On October 5, 2001, the Department of Administration submitted a composite request on behalf of state agencies requesting reallocations of state operations reductions included in 2001 Wisconsin Act 16. Agencies submitted their requests to both the Department of Administration and the Legislative Fiscal Bureau for review in preparation for the Committee's s. 13.10 meeting.

Background

The 2001-03 biennial budget (2001 Wisconsin Act 16) reduced most state agencies GPR state operations budgets by five percent. This was implemented by reducing each agency's largest sum certain GPR state operations appropriation. For budgeting purposes the agency reductions were taken from salary funding. Agencies have been informed that they have the flexibility to reallocate these reductions to other funding lines within their largest GPR state operations appropriation, and also, as applicable and subject to s. 13.10 approval, to reallocate the reduction to other state operations appropriations and funding sources within their departments.

In preparation for the Joint Committee on Finance's first quarterly meeting for FY02, the Department of Administration (DOA) requested that any agency desiring to reallocate the reduction to submit its plan to DOA by October 2nd. Secretary Lightbourn issued a memorandum to state agency heads on September 24th, informing them of this opportunity and providing guidance on the limitations of these requests. All state agencies with state operations reductions could propose reallocation plans to more effectively manage the reductions within each agency. Reallocations are to be limited to other sum certain state operations appropriations; reductions to the salary line in FY03 must be matched by full time equivalent (FTE) position reductions; and plans may include shifts to other funding sources for positions and costs.

This request consolidates the individual agency plans into an overall request to reallocate portions of the five percent reduction amounts between certain agencies' state operations appropriations.

Analysis

This document summarizes each agency's proposals immediately followed by an analysis and recommendation for each agency. With few exceptions the agency requests appear to conform with the requirements presented in the budget. Several of the requests require some technical modifications to ensure that the correct appropriations and FTE counts are reflected.

A number of agencies have proposed using non-GPR appropriations as funding sources for costs or positions currently funded in the GPR state operations appropriation containing the five percent reduction. These transfer requests balance the GPR expenditure reductions with alternative funding, allowing agencies to continue to provide certain services. The use of alternative funds to replace the GPR reductions does not diminish the GPR reductions taken from the affected agencies, in some cases these shifts have allowed the state to leverage additional federal funding, or to redeploy existing non-GPR base funding. GPR positions replaced with non-GPR funding sources will be deleted following JCF approval of these requests. Therefore, these GPR positions will be eliminated from the state system later this fiscal year, before the base budget is calculated for the 2003-05 biennium.

All reductions applied in the second fiscal year are permanent base cuts. Agencies will at a future date identify to the Department of Administration all GPR positions that have been left unfunded by the reductions. These positions will be deleted before the base budget is calculated for the 2003-05 biennium.

Proposals

DEPARTMENT OF ADMINISTRATION

The department requests supplemental expenditure authority and position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.505(1)(a) in both FY02 and in FY03.

- (a) \$94,600 PR-S and 0.8 FTE PR-S position in the financial services appropriation under s. 20.505(1)(kj).
- (b) \$47,100 SEG and 0.4 FTE SEG position in the general program operations - environmental improvement programs; state funds appropriation under s. 20.505(1)(v).

- (c) 1.95 FTE PR positions in the housing program services appropriation under s. 20.505(7)(kg).

The Department also requests the following reallocations of funds into s. 20.505(1)(a) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$55,000 GPR in each fiscal year from the hearings and appeals operations appropriation under s. 20.505(4)(f).
- (b) \$31,200 GPR in each fiscal year from the Tax Appeals Commission appropriation under s. 20.505(4)(a).
- (c) \$182,100 GPR in each fiscal year from the housing assistance general program operations appropriation under s. 20.505(7)(a).
- (d) \$17,500 GPR in each fiscal year from the Office of Justice Assistance appropriation under s. 20.505(6)(a).

Analysis

The Department of Administration's request appears to be reasonable. The request reduces GPR general program operations by \$719,000 and 7.5 FTE. First the agency is requesting additional expenditure and position authority in non-GPR appropriations to accommodate permanent GPR reductions. The agency also requests to reallocate funds from several other GPR state operations appropriations.

This request makes permanent GPR base cuts without layoffs and without diminishing the department's ability to meet its service responsibilities.

Recommendation

Approve the request.

DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.115(1)(a) in FY02 and in FY03 as follows:

- (a) \$45,900 PR and 1.0 FTE PR position in the food regulation appropriation under s. 20.115(1)(gb).

- (b) \$25,500 PR and 0.4 FTE PR position in the dairy trade regulation appropriation under s. 20.115(1)(gm).
- (c) \$22,200 PR and 0.5 FTE PR position in the ozone-depleting refrigerants and products regulation appropriation under s. 20.115(1)(hm).
- (d) \$63,700 PR and 1.0 FTE PR position in the weights and measures inspection appropriation under s. 20.115(1)(j).
- (e) 0.5 FTE PR position in the warehouse keeper and grain dealer regulation appropriation under s. 20.115(1)(jm). In addition, on January 1, 2002, provide \$23,600 SEG and 0.5 FTE SEG position in the dairy, grain and vegetable security appropriation under s. 20.115(1)(q).
- (f) 2.0 FTE PR positions in the inspection, testing and enforcement appropriation under s. 20.115(2)(ha).
- (g) \$116,600 SEG and 2.0 FTE SEG positions in the general program operations; agrichemical management appropriation under s. 20.115(7)(r).
- (h) 1.0 FTE PR-S position in the central services appropriation under s. 20.115(8)(kL).

The department also requests the following reallocations of funds into s. 20.115(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$153,000 GPR from the animal health services general program operations appropriation under s. 20.115(2)(a).
- (b) \$233,600 GPR in FY02 and \$259,400 GPR in FY03 from the marketing services general program operations appropriation under s. 20.115(3)(a).
- (c) \$121,000 GPR in each fiscal year from the agricultural resource management general program operations appropriation under s. 20.115(7)(a).
- (d) \$115,200 GPR in each fiscal year from the central administrative services general program operations appropriation under s. 20.115(8)(a).

Analysis

The Department of Agriculture, Trade and Consumer Protection's five-percent reduction totals \$1,013,200 in each fiscal year of the biennium. The department has proposed several changes to accommodate the reduction, including converting 8.65 FTE GPR positions to other funding sources and eliminating another 5.375 FTE GPR positions. In addition, the department plans to hold two positions vacant in fiscal year 2001-02 and reduce LTE salary, supplies and services, and permanent property expenditures.

By converting positions and a portion of supplies and services costs to non-GPR funding sources, the department would reduce the impact of the five-percent reductions on activities in the animal health, food inspection and weights and measures programs; allow continued provision of nutrient management planning assistance; maintain Alice in Dairyland activities; and continue support of dairy, grain, ozone and departmentwide training activities. Elimination of long term vacancies and supervisory positions allows the department to provide ongoing reductions and minimize the effect on individuals requesting service by retaining existing front-line employees. Counties and landowners would experience some additional costs as the department would require them to pay Register of Deeds filing fees for soil and water resource management cost-share contracts over \$25,000. However, this is expected to have a minimal impact on counties and landowners.

Recommendation

Approve the request.

DEPARTMENT OF COMMERCE

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.143(1)(a) in FY02 and in FY03 as follows:

- (a) 0.4 FTE PR position in each fiscal year in the gifts, grants and proceeds appropriation under s. 20.143(1)(g).
- (b) \$20,400 SEG and 0.5 FTE SEG position in each fiscal year in the brownfields redevelopment activities; administration appropriation under s. 20.143(1)(qa).
- (c) \$112,000 PR-S and 1.5 FTE PR-S positions in each fiscal year in the administrative services appropriation under s. 20.143(4)(kd).

The department also requests the following reallocations of funds into s. 20.143(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$132,000 GPR in each fiscal year from the executive and administrative services general program operations appropriation under s. 20.143(4)(a).
- (b) \$9,000 GPR in each fiscal year from the economic development promotion, plans and studies appropriation under s. 20.143(1)(b).
- (c) \$14,200 GPR in each fiscal year from the Main Street Program appropriation under s. 20.143(1)(dr).

Analysis

The Department of Commerce's five percent reduction totals \$411,700 in each fiscal year of the biennium. To accommodate the reduction, the department has proposed converting 3.4 FTE GPR positions to other funding sources and reducing supplies and services expenditures.

By converting positions to non-GPR-funding sources, the department would minimize the impact of the reductions on program operations. The proposed position conversions would allow the department to implement the reductions without losing any staff and would match the duties performed by each position with funding from the appropriate revenue source. The department is also requesting to eliminate funding related to savings from lower than projected rent costs. For the remainder of the reduction, the department plans to lessen the burden on individual programs to the extent possible. Each program area will be asked to cover its printing and mailing costs of promotional literature. Additionally, each program area in the Division of Community Development, including the Main Street Program, would reduce supplies and services expenditures.

Recommendation

Approve the request.

DEPARTMENT OF CORRECTIONS

The department requests the following reallocations of funds into s. 20.410(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$788,900 GPR in each fiscal year from the services for community corrections appropriation under s. 20.410(1)(b).
- (b) \$200,000 GPR in FY02 and \$1,900 GPR in FY03 from the pharmacological treatment for certain child sex offenders appropriation under s. 20.410(1)(bm).
- (c) \$32,000 GPR in FY02 and \$37,800 GPR in FY03 from the energy costs appropriation under s. 20.410(1)(f).
- (d) \$9,400 GPR in FY02 and \$12,300 in FY03 from the institutional repair and maintenance appropriation under s. 20.410(1)(aa).
- (e) \$194,600 GPR in FY02 and \$140,600 GPR in FY03 from the corrections contracts and agreements appropriation under s. 20.410(1)(ab).
- (f) \$2,200 GPR in FY02 and \$2,600 in FY03 from the juvenile correctional services general program operations appropriation under s. 20.410(3)(a).

Analysis

This request transfers \$1,227,100 GPR in FY02 and \$984,100 GPR in FY03 to s. 20.410(1)(a) from several DOC appropriations.

Under this proposal, 20.75 FTE GPR probation and parole agents will be deleted in FY02.

The proposal should be modified to delete the transfer of \$200,000 GPR in FY02 from s. 20.410(1)(bm), pharmacological treatment for certain child sex offenders, and increase the transfer from s. 20.410 (1)(b), services for community corrections, by \$200,000 in FY02.

Recommendation

Deny the request to transfer \$200,000 from s. 20.410(1)(bm) in FY02. Increase the transfer from s. 20.410(1)(b) by \$200,000 in FY02. Approve the remaining transfers.

ELECTIONS BOARD

The board requests supplemental expenditure authority in non-GPR appropriations in order to reallocate costs to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.510(1)(a) in FY02 and FY03 as follows:

- (a) \$8,000 PR to the general program operations appropriation under s. 20.510(1)(i).
- (b) \$10,000 PR to the materials and services appropriation under s. 20.510(1)(h).

Analysis

The Elections Board requests \$8,000 PR in its general program operations appropriation under s. 20.510(1)(i) and \$10,000 PR in its material and services appropriation under s. 20.510(1)(h) in supplemental expenditure authority in order to reallocate costs to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.510(1)(a) in FY02 and FY03.

Recommendation

Approve the request.

DEPARTMENT OF EMPLOYMENT RELATIONS

The department requests supplemental expenditure authority in non-GPR appropriations in order to reallocate costs to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.512(1)(a) in FY02 and FY03 as follows:

- (a) \$32,100 PR-S and 0.4 FTE PR-S position in each fiscal year in the employee development and training appropriation under s. 20.512(1)(jm).

Analysis

The Department of Employment Relations request reduces GPR general program operations by \$32,100 and 0.4 FTE in both FY 02 and FY 03. The agency is requesting additional expenditure authority in non-GPR appropriations to accommodate these permanent GPR reductions. This request allows for permanent GPR base cuts without diminishing the department's ability to meet its service requirements.

Recommendation

Approve the request.

ETHICS BOARD

The board requests supplemental spending authority in a non-GPR appropriation in order to reallocate costs to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.521(1)(a) in FY02 and FY03 as follows:

- (a) \$11,800 PR in each fiscal year in the general program operations, program revenue appropriation under s. 20.521(1)(g).

Analysis

The Ethics Board requests \$11,800 PR in its general program operations, program revenue appropriation under s. 20.521(1)(g) in supplemental expenditure authority in order to reallocate costs to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.521(1)(a) in FY02 and FY03.

Recommendation

Approve the request.

DEPARTMENT OF HEALTH AND FAMILY SERVICES

The department requests supplemental expenditure authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.435(2)(a) in FY02 and in FY03 as follows:

- (a) \$320,700 PR and 6.0 FTE PR positions in each year in the general program operations appropriation under s. 20.435 (8)(k).
- (b) \$320,700 PR in each year in the institutional operations and charges appropriation under s. 20.435(2)(gk).
- (c) \$625,300 PR-S in FY02 and \$630,000 PR-S in FY03 in the interagency and intra-agency programs appropriation under s. 20.435(3)(kx).
- (d) \$1,875,800 PR-S in FY02 and \$1,889,800 PR-S in FY03 in the interagency and intra-agency aids; Milwaukee child welfare services appropriation under s. 20.435(3)(kw).
- (e) \$164,100 FED and 2.5 FTE FED positions in each year in the federal project operations appropriation under s. 20.435(1)(m).
- (f) \$50,800 FED and 1.0 FTE FED positions in each year in the block grant operations appropriation under s. 20.435(1)(mc).
- (g) \$160,000 FED in each year in the federal project operations appropriation under s. 20.435(3)(m).
- (h) \$2,660,700 FED in each year in the federal aids; medical assistance appropriation under s. 20.435(4)(o).
- (i) \$325,200 FED in each year in the federal aid; medical assistance contracts administration appropriation under s. 20.435 (4)(pa).

The department also requests the following reallocations of funds into s. 20.435(2)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$1,710,000 GPR in FY02 and \$1,960,000 GPR in FY03 from the Wisconsin resource center appropriation under s. 20.435 (2)(b).
- (b) \$39,000 GPR in each year from the fuel budget in the lease rental payments appropriation under s. 20.435(2)(ef).
- (c) \$2,377,600 GPR in FY02 and \$2,122,800 GPR in FY03 from the secure mental health units or facilities appropriation under s. 20.435(2)(bm).

- (d) \$625,200 GPR in FY02 and \$630,000 GPR in FY03 from the Milwaukee child welfare services; general program operations appropriation under s. 20.435(3)(cw).
- (e) \$1,875,800 GPR in FY02 and \$1,889,800 GPR in FY03 from the Milwaukee child welfare services; aids appropriation under s. 20.435(3)(cx).
- (f) \$200,000 GPR in each year from the administration expenditures for state supplement to federal supplemental security income program under s. 20.435(6)(ee).
- (g) \$196,000 GPR in each year from the general program operations appropriation under s. 20.435(8)(a).
- (h) \$214,900 GPR from the general program operations appropriation under s. 20.435(1)(a).
- (i) \$240,600 GPR in FY02 and \$245,400 GPR in FY03 from the MA and BadgerCare administration; contract costs, insurance reports and resource centers appropriation under s. 20.435(4)(bm).
- (j) \$160,000 GPR in each year from the child abuse and neglect prevention technical assistance appropriation under s. 20.435(3)(df).
- (k) \$460,300 GPR in each year from the general program operations appropriation under s. 20.435(8)(a).

Two additional transactions are requested by the department as part of this request:

- (a) Transfer \$80,800 GPR in FY02 and \$99,600 GPR in FY02 from the general program operations appropriation under s. 20.435 (2)(a) to the Medical Assistance benefits appropriation under s. 20.435(4)(b).
- (b) Transfer the following GPR funds from the Wisconsin resource center appropriation under s. 20.435(2)(b) to the secure mental health units or facilities appropriation under s. 20.435(2)(bm):

	FY 2002		FY 2003	
	<u>Funding</u>	<u>FTE</u>	<u>Funding</u>	<u>FTE</u>
Salary	\$3,735,100	100.25	\$2,665,900	71.65
LTE	29,400		21,000	
Fringe	1,403,800		996,700	
Supplies	673,500		489,000	
Property	49,200		35,200	
Food	128,800		94,600	
Variable	442,000		328,000	
Internal Svc	<u>5,500</u>		<u>3,900</u>	
	\$6,467,300		\$4,634,300	

Analysis

The department's request can be summarized as follows:

- Fifty-one percent of the reduction is met by closing two units at Sand Ridge and two units at the Wisconsin Resource Center that would have served either sex predators or Department of Corrections inmates.
- Thirty-one percent of the cut is met by replacing GPR expenditures with new federal targeted case management funds for certain (non-IV-E) children in out-of-home care in the Milwaukee child welfare system.
- Seven percent is met by shifting costs from GPR to FED in various programs.
- Five percent is met by shifting cost to PR-S for the billing process for the mental health institutes.
- The remaining six percent is met through reductions in funding for:
 - A joint patient records system;
 - Pathways to Independence (reestimate);
 - Income Maintenance and Child Support Incentive program;
 - Recipient/Provider Hotlines;
 - Consumer and Provider meetings on managed care policies; and
 - Actuarial services.

First submitted to DOA and the Legislature this spring, the department plan identifies a sufficient amount of GPR to meet the reduction target in a way that will not require lay-offs and will not have significant negative fiscal or programmatic effects.

Given current caseload projections of sex predators, it is unlikely that the department will be able to permanently sustain the reductions within the Division of Care and Treatment Facilities and will therefore have to reallocate these cuts elsewhere in the department as part of the next biennial budget process.

The reduction of GPR related to new federal targeted case management funds is in part taken from an aids appropriation. This action is appropriate because no existing services are being reduced (expenditures are being shifted from GPR to FED) and the services funded from the 315 numeric directly relate to state funded administrative operations. These state operations include the salary and fringe benefit costs for case managers at the five vendor sites in Milwaukee County – an administrative function for which the state contracts.

In addition, the above summary of DHFS' request needs to be corrected in the following ways to make it consistent with the department's original request: Decrease (not increase) of \$325,200 FED in each year in the federal aid; medical assistance contracts administration appropriation under s. 20.435(4)(pa).

- \$196,600 GPR (not \$196,000) in each year from the general program operations appropriation under s. 20.435(8)(a).
- \$379,500 GPR and 6.5 FTE in FY02 and \$360,700 GPR and 6.5 FTE in FY03 from the general program operations appropriation under s. 20.435(8)(a).
- Transfer \$80,800 GPR in FY02 and \$99,600 GPR in FY03 from the general program operations appropriation under s. 20.435(8)(a) [not s. 20.435(2)(a)] to the medical assistance benefits appropriation under s. 20.435(4)(b).
- Transfer \$3,753,100 (not \$3,735,100) and 100.25 FTE in FY02 from the Wisconsin resource center appropriation under s. 20.435 (2)(b) to the secure mental health units or facilities appropriation under s. 20.435(2)(bm).

Recommendation

Approve the request with technical modifications noted above.

JUDICIAL COMMISSION

The commission requests the following reallocations of funds into its general program operations appropriation under s. 20.665(1)(a) from another agency GPR state operations appropriation to restore reductions in FY02 and in FY03.

- (a) \$11,600 GPR in each fiscal year from the general program operations; judicial council appropriation under s. 20.665(1)(d).

Analysis

The Judicial Commission's request would transfer \$11,000 from supplies and services funding. This request meets the intent of the five percent state operations cut.

Recommendation

Approve the request.

DEPARTMENT OF JUSTICE

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.445(1)(a) in FY02 and in FY03 as follows:

- (a) \$177,100 PR-S and 1.9 FTE PR-S positions in each fiscal year in the interagency and intra-agency assistance appropriation under s. 20.445(1)(km).

- (b) \$281,400 PR-S and 4.0 FTE PR-S positions in each fiscal year in the drug law enforcement, crime laboratories and genetic evidence activities appropriation under s. 20.445(2)(kd).
- (c) \$58,600 PR and 1.0 FTE PR position in each fiscal year in the criminal history searches, fingerprint identification appropriation under s. 20.445(2)(gm).
- (d) \$34,800 PR and 0.5 FTE PR position in each fiscal year in the crime victim and witness surcharge, sexual assault victims services appropriation under s. 20.445(5)(gc).

The department also requests the following reallocations of funds into s. 20.445(1)(a) appropriation from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$46,600 GPR in each fiscal year from the legal expenses appropriation under s. 20.445(1)(d).
- (b) \$550,700 GPR in each fiscal year from the law enforcement services, general program operations appropriation under s. 20.445(2)(a).
- (c) \$42,800 GPR in each fiscal year from the computers for transaction information for management of enforcement system appropriation under s. 20.445(2)(cm).
- (d) \$500,000 GPR in each fiscal year from the weed and seed and law enforcement technology appropriation under s. 20.445(2)(dg).
- (e) \$44,500 GPR in each fiscal year from the victims and witnesses general program operations appropriation under s. 20.445(5)(a).

Analysis

The Department of Justice requested supplemental spending authority and additional position authority in FY02 and FY03 in four non-GPR appropriations in order to accommodate their five percent operations cut. In addition, they requested the reallocation of funds from other GPR appropriations into s. 20.455(1)(a) to restore reductions in FY02 and FY03. All of these requests meet the intent of the five percent cut except item d under the reallocation section of the request.

Reallocating \$500,000 from the weed and seed and law enforcement technology appropriation under s. 20.455(2)(dg) does not meet the intent of the five percent cuts being taken from state operations areas of the budget. This program is categorized as an aid to individuals and organizations appropriation and provides grants to certain cities in the state.

In addition, the department requests as submitted to JCF need to be corrected in the following ways: all references in the Department of Justice's request to s. 20.445 should be deleted and changed to s. 20.455.

Recommendation

Approve requests a, b, c and d under non-GPR appropriations portion of the request and approve requests a, b, c and e under the reallocation portion of the request.

Deny approval of item d under the reallocation portion of the request because it violates the intent that the five percent GPR reductions are to be taken from state operations. By denying the transfer to s. 20.455 (2)(dg) the \$500,000 reduction would remain in the department's general program operations appropriation, s. 20.455 (1)(a)

DEPARTMENT OF MILITARY AFFAIRS

The department requests the following reallocations of funds into s. 20.465(1)(a) appropriation from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$18,500 GPR in FY02 from the emergency management services appropriation under s. 20.465(3)(a).
- (b) \$113,600 GPR in FY02 and \$10,000 GPR in FY03 from the youth challenge program appropriation under s. 20.465(4)(c).
- (c) \$280,200 GPR in FY03 from the badger challenge program appropriation under s. 20.465(4)(b).

Analysis

The department requests the following reallocation of GPR budget reductions in FY02 from the department's general program operations appropriation under s. 20.465(1)(a) for National Guard Operations: (a) \$18,500 to its general program operations appropriation under s. 20.465(3)(a) for Emergency Management Services; and (b) \$113,600 to its Youth Challenge Program appropriation under s. 20.465(4)(c) for National Guard Youth Programs. The department will absorb the reduction of \$18,500 in s. 20.465(3)(a) by holding a position vacant and will absorb the reduction of \$113,600 in s. 20.465(4)(c) by managing turnover and reducing supplies and services funding.

The department also requests the following reallocation of GPR budget reductions in FY03 from the department's general program operations appropriation under s. 20.465(1)(a) for National Guard Operations: (a) \$280,200 to its Badger Challenge Program appropriation under s. 20.465(4)(b) for National Guard Youth Programs; and (b) \$10,000 to its Youth Challenge Program appropriation under s. 20.465(4)(c) for

National Guard Youth Programs. The department will absorb the reduction of \$280,200 in s. 20.465(4)(b) by not conducting the Badger Challenge Program in FY03 and will absorb the reduction of \$10,000 in s. 20.465(4)(c) by reducing supplies and services funding. In addition to the dollar reduction, 0.75 FTE GPR position will be eliminated in s. 20.465(4)(b).

Recommendation

Approve the request.

DEPARTMENT OF NATURAL RESOURCES

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.370(4)(ma) in FY02 and in FY03 as follows:

- (a) \$87,000 PR and 1.0 FTE PR position in each fiscal year in the solid waste management – solid and hazardous waste disposal administration appropriation under s. 20.370(2)(dg).
- (b) \$10,000 SEG in each fiscal year in the wildlife management general program operations appropriation under s. 20.370(1)(mu).

The department also requests the following reallocations of funds into s. 20.370(4)(ma) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$34,000 GPR in each fiscal year from the wildlife management and facilities and lands general program operations appropriation under s. 20.370(1)(ma).
- (b) \$185,900 GPR in each fiscal year from the waste management and remediation and redevelopment general program operations appropriation under s. 20.370(2)(ma).
- (c) \$238,000 GPR in each fiscal year from law enforcement and integrated science services general program operations appropriation under s. 20.370(3)(ma).
- (d) \$745,500 GPR in each fiscal year from the resource maintenance and development – state park, forest and riverway roads appropriation under s. 20.370(7)(mc).

Analysis

The Department of Natural Resource's five percent reduction totals \$2,474,100 GPR in each fiscal year of the biennium. The department has proposed several changes to accommodate the reduction, including a proposal to offset the reduction with

increases in non-GPR funding, conversion of 2.50 FTE GPR positions to other funding sources, and elimination of 1.0 FTE GPR position. In addition, the department plans to reduce funding for LTE salaries, supplies and services and permanent property, and to eliminate obsolete payments that were budgeted in the general program operations appropriation under s. 20.370(4)(ma).

The proposal to convert positions and a portion of supplies and services costs to PR and SEG funding would allow the department to offset impacts of the five-percent reduction on wildlife health programs, which monitor for diseases; landfill inspections and audits; and the brownfields program. To further minimize the impact of the reduction on public safety, the department submitted an additional request for a supplement of \$84,800 SEG (conservation fund) to its general program operations appropriation under s. 20.370(3)(mu) to offset the proposed decrease in warden mileage funding related to the five percent reduction.

The proposed reductions are expected to have a limited impact on services. A portion of the reduction relates to support of county land conservation departments' information and education efforts, the responsibility for which was transferred to the Department of Agriculture, Trade and Consumer Protection as part of the transfer of responsibility for rural non-point source pollution efforts. The proposal would also remove funding related to payments made under an agreement with Lake Superior commercial fishers in exchange for relinquishment of their commercial fishing licenses are complete. The final payment has been made and these funds are no longer needed. The remaining reductions would slow progress on various information technology projects; reduce water sampling and monitoring activities; and delay the development and maintenance of roads and parking lots on department properties.

Recommendation

Approve the request with a modification to provide a supplement in FY02 and FY03 of \$84,800 SEG annually from the Committee's appropriation under s. 20.865(4)(u) to the department's general program operations appropriation under s. 20.370(3)(mu).

DEPARTMENT OF REVENUE

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the five percent state operations reduction in its general program operations appropriation under s. 20.566(1)(a) in FY02 and in FY03.

- (a) \$47,900 PR and 1.0 FTE PR position in each fiscal year in the debt collection appropriation under s. 20.566(1)(h).
- (b) \$12,700 PR in FY02 and \$25,400 PR in FY03 and 0.5 FTE PR position in the Wisconsin property assessment manual appropriation under s. 20.566(2)(hi).

- (c) \$9,000 SEG in FY02 and \$18,100 SEG in FY03 and 1.75 FTE PR position in the lottery credit administration appropriation under s. 20.566(2)(r).

The department also requests the following reallocations of funds into s. 20.566(1)(a) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$640,400 GPR in FY02 and \$827,900 GPR in FY03 from the state and local finance, general program operations appropriation under s. 20.566(3)(a).
- (b) \$735,400 GPR in FY02 and \$591,900 GPR in FY03 from the administrative services, general program operations appropriation under s. 20.566(3)(c).
- (c) \$573,000 GPR in each fiscal year from the integrated tax system appropriation under s. 20.566(3)(c).

Analysis

The Department of Revenue's five percent reduction removed \$4,216,300 GPR from the department's operating budget in each year. To implement this reduction, the department anticipates eliminating 30.85 FTE GPR positions in FY02 and 36.35 FTE GPR positions in FY03. The GPR reductions are slightly offset by minor transfers to PR and SEG appropriations totaling \$69,600 in FY02 and \$91,400 in FY03 and 1.75 FTE positions.

In determining its reallocation plan, the department was mindful of its need to maintain its revenue collection abilities. Consequently, the request reallocates the cut so that resources most directly linked to revenue generation receive a smaller percentage reduction than other agency responsibilities. Under the department's plan for FY03, general program operations for the collection of taxes, s. 20.566(1)(a), receives a 4.4 percent cut as a percent of the 2001-03 adjusted base while state and local finance general program operations, s. 20.566(2)(a), receives a 7.2 percent reduction. When viewed through anticipated position reductions, this priority is even more visible. Positions in the general program operation appropriation for collection of taxes are reduced only 2.2 percent while positions in the general program operations appropriation for state and local finance are reduced 8.8 percent.

Through a combination of process reengineering, increased cooperative efforts with other state agencies and multi-state efforts, no net revenue loss is anticipated as a result of the department's reduction plan. The department's process reengineering will be targeted at improving audit selection, making better use of auditor time and creating more expeditious review of documents. Reduction in IT equipment costs since the department was provided both integrated tax system and IT infrastructure funding will enable the integrated tax system to proceed despite the funding reduction allocated to the integrated tax system appropriation.

The department's request as stated above and in the Department of Administration's letter to the Joint Committee on Finance dated October 5, 2001, includes four technical errors that require correction:

1. The requested increase in FTE positions for the lottery credit administration appropriation under s. 20.566(2)(r) is 0.25 rather than 1.75 FTE SEG.
2. The alpha for the state and local finance, general program operations appropriation is (2)(a) rather than (3)(a).
3. The alpha for the administrative services, general program operations appropriation is (3)(a) rather than (3)(c).
4. The alpha for the integrated tax system appropriation is (3)(b) rather than (3)(c).

Recommendation

Approve the request with the technical corrections noted above.

STATE PUBLIC DEFENDER

The agency requests the following reallocation as part of its proposal to accommodate the overall reductions:

- (a) Transfer \$2,832,700 GPR in FY03 from the trial representation appropriation under s. 20.550 (1)(c) to the private bar appropriation under s. 20.550 (1)(d).

Analysis

The State Public Defender is requesting that funds be reallocated from the trial representation appropriation to the private bar appropriation. The request meets the intent of the five percent state operations cut.

Recommendation

Approve the request.

WISCONSIN STATE HISTORICAL SOCIETY

Request

The Society requests the following reallocations of funds into s.20.245 (1) (a) from other agency GPR state operations appropriations to in order to accommodate the 5 percent state operations reduction in FY02 and in FY03.

- (a) \$45,300 GPR from the permanent salary line of the historic sites and museum services appropriation under s.20.245 (1) (ag).
- (b) \$18,100 from the fringe benefit line of the historic sites and museum services appropriation under s.20.245 (1) (ag).

Analysis

This request was inadvertently omitted from the consolidated request submitted on October 5, 2001. The Wisconsin Historical Society's (WHS) request reflects the consolidation of the Society's appropriation structure in the 2001-03 biennial budget. Prior to the consolidation, WHS did not have any appropriations subject to the 3% turnover standard budget adjustment. The appropriation consolidation resulted in the Society being subject to this standard budget adjustment in future biennial budgets. Since the 3% turnover adjustment was not applied to WHS in the 2001-03 biennial budget, the Department of Administration agreed that if budget efficiency measures were required, that a 3% turnover reduction could count in lieu of permanent position reductions towards the Society's total.

Allowing the Society to take this reduction is reasonable. WHS has had a high number of vacancies over recent biennia due to, among other reasons, recruitment difficulties. One result of the high vacancy rate has been that the Society has not been fully expending its fringe benefits allotment and has transferred unexpended funds to other allotment lines. Based on past biennia, the Society should be able to absorb the 3% reduction.

Recommendation

Approve the request.

DEPARTMENT OF WORKFORCE DEVELOPMENT

The department requests the following reallocation of funds into s. 20.445(1)(a) from the following agency GPR state operations appropriation to restore reductions in both FY02 and in FY03.

- (a) \$447,000 GPR in each fiscal year from the economic support, general program operations appropriation under s. 20.445(3)(a).

Analysis

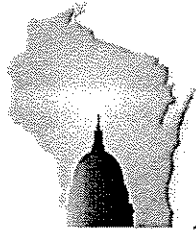
The department is requesting to transfer \$447,000 GPR from the general program operations appropriation under s. 20.445(3)(a) to the general program operations appropriation under s. 20.445(1)(a) to reallocate a portion of its total reduction target. Of the \$447,000, \$99,300 is from the salary line, \$36,700 is from the fringe benefits line, \$80,000 is from the LTE line and \$231,000 is from the supplies and services line.

Members, Joint Committee on Finance
Page 20
November 1, 2001

These reductions will come from work and staffing related primarily to income maintenance and child support functions and consequently will not have a negative impact on the department's ability to meet the federal Maintenance of Effort (MOE) requirement. In addition, the DWD reduction plan will not require layoffs.

Recommendation

Approve the request.



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

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Date: October 5, 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration *George Lightbourn*

Subject: Section 13.10 Request from the Department of Administration on behalf of state agencies proposing reallocations of 5% state operations reductions

Request

On behalf of state agencies requesting reallocations of state operations reductions included in 2001 Wisconsin Act 16 the Department of Administration presents a consolidated summary of the proposals. Further analysis of the proposals and the Governor's recommendations will follow at a later date.

Background

The 2001-03 biennial budget (2001 Wisconsin Act 16) reduced most state agencies GPR state operations budgets by five percent. This was implemented by reducing each agency's largest sum certain GPR state operations appropriation. For budgeting purposes the agency reductions were taken from salary funding. Agencies have the flexibility to reallocate these reductions to other funding lines within their largest GPR state operations appropriation, and also, as applicable and subject to s.13.10 approval, to reallocate the reduction to other state operations appropriations and funding sources within their departments.

In preparation for the Joint Committee on Finance's first quarterly meeting for 2002, the Department of Administration (DOA) requested that any agency desiring to reallocate the reduction to submit its plan to DOA by October 2nd. Secretary Lightbourn issued a memorandum to state agency heads on September 28th, informing them of this opportunity and providing guidance on the limitations of these requests. All state agencies with state operations reductions could propose reallocation plans to more effectively manage the reductions within each agency. Reallocations are to be limited to other sum certain state operations appropriations; reductions to the salary line in FY03 must be matched by full time equivalent (FTE) position reductions; and plans may include shifts to other

funding sources for positions and costs.

This request consolidates the individual agency plans into an overall request to reallocate portions of the five percent reduction amounts between certain agencies' state operations appropriations.

Analysis

The following are proposals submitted by agencies to effectively reallocate portions of their reduction totals to other state operations appropriations. In cases where non-GPR appropriations are proposed as funding sources for costs or positions currently funded in the GPR state operations appropriation containing the 5 percent reduction, the request is presented as an increase in expenditure or position authority in the alternate source(s). Where agencies have requested that a portion of the reduction be reallocated to another GPR state operations appropriation, the request is presented as a transfer of funds into the appropriation in which resides the 5 percent reduction.

Reductions applied in the second fiscal year are permanent base cuts. Agencies will at a future date identify to the Department of Administration all GPR positions that have been left unfunded by the reductions. These will be deleted.

Proposals

Department of Administration

The department requests supplemental expenditure authority and position authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s.20.505(1)(a) in both FY02 and in FY03.

- (a) \$94,600 PR-S and 0.8 FTE PR-S position in the financial services appropriation under s. 20.505(1)(kj).
- (b) \$47,100 SEG and 0.4 FTE SEG position in the general program operations - environmental improvement programs; state funds appropriation under s.20.505(1)(v).
- (c) 1.95 FTE PR positions in the housing program services appropriation under s.20.505(7)(kg).

The Department also requests the following reallocations of funds into s.20.505(1)(a) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$55,000 GPR in each fiscal year from the hearings and appeals operations appropriation under s.20.505(4)(f).
- (b) \$31,200 GPR in each fiscal year from the Tax Appeals Commission appropriation under s.20.505(4)(a).
- (c) \$182,100 GPR in each fiscal year from the housing assistance general program operations appropriation under s.20.505(7)(a).
- (d) \$17,500 GPR in each fiscal year from the Office of Justice Assistance appropriation under s.20.505(6)(a).

Department of Agriculture, Trade and Consumer Protection

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s. 20.115(1)(a) in FY02 and in FY03 as follows:

- (a) \$45,900 PR and 1.0 FTE PR position in the food regulation appropriation under s. 20.115(1)(gb).
- (b) \$25,500 PR and 0.4 FTE PR position in the dairy trade regulation appropriation under s. 20.115(1)(gm).
- (c) \$22,200 PR and 0.5 FTE PR position in the ozone-depleting refrigerants and products regulation appropriation under s. 20.115(1)(hm).
- (d) \$63,700 PR and 1.0 FTE PR position in the weights and measures inspection appropriation under s. 20.115(1)(j).
- (e) 0.5 FTE PR position in the warehouse keeper and grain dealer regulation appropriation under s. 20.115(1)(jm). In addition, on January 1, 2002, provide \$23,600 SEG and 0.5 FTE SEG position in the dairy, grain and vegetable security appropriation under s.20.115(1)(q).
- (f) 2.0 FTE PR positions in the inspection, testing and enforcement appropriation under s. 20.115(2)(ha).
- (g) \$116,600 SEG and 2.0 FTE SEG positions in the general program operations; agrichemical management appropriation under s. 20.115(7)(r).
- (h) 1.0 FTE PR-S position in the central services appropriation under s. 20.115(8)(kL).

The department also requests the following reallocations of funds into s. 20.115(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$153,000 GPR from the animal health services general program operations appropriation under s. 20.115(2)(a).
- (b) \$233,600 GPR in FY02 and \$259,400 GPR in FY03 from the marketing services general program operations appropriation under s. 20.115(3)(a).
- (c) \$121,000 GPR in each fiscal year from the agricultural resource management general program operations appropriation under s. 20.115(7)(a).
- (d) \$115,200 GPR in each fiscal year from the central administrative services general program operations appropriation under s. 20.115(8)(a).

Department of Commerce

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s. 20.143(1)(a) in FY02 and in FY03 as follows:

- (a) 0.4 FTE PR position in each fiscal year in the gifts, grants and proceeds appropriation under s. 20.143(1)(g).
- (b) \$20,400 SEG and 0.5 FTE SEG position in each fiscal year in the brownfields redevelopment activities; administration appropriation under s. 20.143(1)(qa).
- (c) \$112,000 PR-S and 1.5 FTE PR-S positions in each fiscal year in the administrative services appropriation under s. 20.143(4)(kd).

The department also requests the following reallocations of funds into s. 20.143(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$132,000 GPR in each fiscal year from the executive and administrative services general program operations appropriation under s. 20.143(4)(a).
- (b) \$9,000 GPR in each fiscal year from the economic development promotion, plans and studies appropriation under s. 20.143(1)(b).
- (c) \$14,200 GPR in each fiscal year from the Main Street program appropriation under s. 20.143(1)(dr).

Department of Corrections

The department requests the following reallocations of funds into s. 20.410(1)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$788,900 GPR in each fiscal year from the services for community corrections appropriation under s.20.410(1)(b).
- (b) \$200,000 GPR in FY02 and \$1,900 GPR in FY03 from the pharmacological treatment for certain child sex offenders appropriation under s. 20.410(1)(bm).
- (c) \$32,000 GPR in FY02 and \$37,800 GPR in FY03 from the energy costs appropriation under s.20.410(1)(f).
- (d) \$9,400 GPR in FY02 and \$12,300 in FY03 from the institutional repair and maintenance appropriation under s.20.410(1)(aa).
- (e) \$194,600 GPR in FY02 and \$140,600 GPR in FY03 from the corrections contracts and agreements appropriation under s.20.410(1)(ab).
- (f) \$2,200 GPR in FY02 and \$2,600 in FY03 from the juvenile correctional services general program operations appropriation under s.20.410(3)(a).

Elections Board

The board requests supplemental expenditure authority in non-GPR appropriations in order to reallocate costs to accommodate the 5 percent state operations reduction in its general program operations appropriation under s.20.510(1)(a) in FY02 and FY03 as follows:

- (a) \$8,000 PR to the general program operations appropriation under s.20.510(1)(i).
- (b) \$10,000 PR to the materials and services appropriation under s.20.510(1)(h).

Department of Employment Relations

The department requests supplemental expenditure authority in non-GPR appropriations in order to reallocate costs to accommodate the 5 percent state operations reduction in its general program operations appropriation under s.20.512(1)(a) in FY02 and FY03 as follows:

- (a) \$32,100 PR-S and 0.4 FTE PR-S position in each fiscal year in the employee development and training appropriation under s.20.512(1)(jm).

Ethics Board

The board requests supplemental spending authority in a non-GPR appropriation in order to reallocate costs to accommodate the 5 percent state operations reduction in its general program operations appropriation under s.20.521(1)(a) in FY02 and FY03 as follows:

- (a) \$11,800 PR in each fiscal year in the general program operations, program revenue appropriation under s.20.521(1)(g).

Department of Health and Family Services

The department's request can be summarized as follows: fifty percent of the cut is met by closing 2 units at Sand Ridge and 2 units at the Wisconsin Resource Center that would have served either sex predators or Corrections inmates. Thirty one percent of the cut is met by lapsing new federal targeted case management funds for certain (non-IV-E) children in out-of-home care in the Milwaukee child welfare system. And an additional 7% is met by shifting costs from GPR to FED in various programs.

The department requests supplemental expenditure authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s.20.435(2)(a) in FY02 and in FY03 as follows:

- (a) \$320,700 PR and 6.0 FTE PR positions in each year in the general program operations appropriation under s.20.435 (8)(k).
- (b) \$320,700 PR in each year in the institutional operations and charges appropriation under s. 20.435(2)(gk).
- (c) \$625,300 PR-S in FY02 and \$630,000 PR-S in FY03 in the interagency and intra-agency programs appropriation under s.20.435(3)(kx).
- (d) \$1,875,800 PR-S in FY02 and \$1,889,800 PR-S in FY03 in the interagency and intra-agency aids; Milwaukee child welfare services appropriation under s.20.435(3)(kw).

- (e) \$164,100 FED and 2.5 FTE FED positions in each year in the federal project operations appropriation under s.20.435(1)(m).
- (f) \$50,800 FED and 1.0 FTE FED positions in each year in the block grant operations appropriation under s. 20.435(1)(mc).
- (g) \$160,000 FED in each year in the federal project operations appropriation under s. 20.435(3)(m).
- (h) \$2,660,700 FED in each year in the federal aids; medical assistance appropriation under s. 20.435(4)(o).
- (i) \$325,200 FED in each year in the federal aid; medical assistance contracts administration appropriation under s.20.435 (4)(pa).

The Department also requests the following reallocations of funds into s.20.435(2)(a) from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$1,710,000 GPR in FY02 and \$1,960,000 GPR in FY03 from the Wisconsin resource center appropriation under s.20.435 (2)(b).
- (b) \$39,000 GPR in each year from the fuel budget in the lease rental payments appropriation under s.20.435(2)(ef).
- (c) \$2,377,600 GPR in FY02 and \$2,122,800 GPR in FY03 from the secure mental health units or facilities appropriation under s. 20.435(2)(bm).
- (d) \$625,200 GPR in FY02 and \$630,000 GPR in FY03 from the Milwaukee child welfare services; general program operations appropriation under s. 20.435(3)(cw).
- (e) \$1,875,800 GPR in FY02 and \$1,889,800 GPR in FY03 from the Milwaukee child welfare services; aids appropriation under s. 20.435(3)(cx).
- (f) \$200,000 GPR in each year from the administration expenditures for state supplement to federal supplemental security income program under s.20.435(6)(ee).
- (g) \$196,000 GPR in each year from the general program operations appropriation under s. 20.435(8)(a).
- (h) \$214,900 GPR from the general program operations appropriation under s.20.435 (1)(a).
- (i) \$240,600 GPR in FY02 and \$245,400 GPR in FY03 from the MA and Badgercare administration; contract costs, insurance reports and resource

centers appropriation under s. 20.435(4)(bm).

- (j) \$160,000 GPR in each year from the child abuse and neglect prevention technical assistance appropriation under s.20.435(3)(df).
- (k) \$460,300 GPR in each year from the general program operations appropriation under s. 20.435(8)(a).

Two additional transactions are requested by the department as part of this request:

- (a) Transfer \$80,800 GPR in FY02 and \$99,600 GPR in FY02 from the general program operations appropriation under s.20.435 (2)(a) to the Medical assistance benefits appropriation under s. 20.435(4)(b).
- (b) Transfer the following GPR funds from the Wisconsin resource center appropriation under s. 20.435(2)(b) to the secure mental health units or facilities appropriation under s.20.435(2)(bm):

	FY 2002		FY 2003	
	<u>Funding</u>	<u>FTE</u>	<u>Funding</u>	<u>FTE</u>
Salary	\$3,735,100	100.25	\$2,665,900	71.65
LTE	29,400		21,000	
Fringe	1,403,800		996,700	
Supplies	673,500		489,000	
Property	49,200		35,200	
Food	128,800		94,600	
Variable	442,000		328,000	
Internal Svc	<u>5,500</u>		<u>3,900</u>	
	\$6,467,300		\$4,634,300	

Judicial Commission

The commission requests the following reallocations of funds into its general program operations appropriation under s. 20.665(1)(a) from another agency GPR state operations appropriation to restore reductions in FY02 and in FY03.

- (a) \$11,600 GPR in each fiscal year from the general program operations; judicial council appropriation under s.20.665(1)(d).

Department of Justice

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the 5 percent state

operations reduction in its general program operations appropriation under s. 20.445(1)(a) in FY02 and in FY03 as follows:

- (a) \$177,100 PR-S and 1.9 FTE PR-S positions in each fiscal year in the interagency and intra-agency assistance appropriation under s.20.445(1)(km).
- (b) \$281,400 PR-S and 4.0 FTE PR-S positions in each fiscal year in the drug law enforcement, crime laboratories and genetic evidence activities appropriation under s.20.445(2)(kd).
- (c) \$58,600 PR and 1.0 PR FTE PR position in each fiscal year in the criminal history searches, fingerprint identification appropriation under s.20.445(2)(gm).
- (d) \$34,800 PR and 0.5 FTE PR position in each fiscal year in the crime victim and witness surcharge, sexual assault victims services appropriation under s.20.445(5)(gc).

The department also requests the following reallocations of funds into s. 20.445(1)(a) appropriation from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$46,600 GPR in each fiscal year from the legal expenses appropriation under s.20.445(1)(d).
- (b) \$550,700 GPR in each fiscal year from the law enforcement services, general program operations appropriation under s.20.445(2)(a).
- (c) \$42,800 GPR in each fiscal year from the computers for transaction information for management of enforcement system appropriation under s.20.445(2)(cm).
- (d) \$500,000 GPR in each fiscal year from the weed and seed and law enforcement technology appropriation under s.20.445(2)(dg).
- (e) \$44,500 GPR in each fiscal year from the victims and witnesses general program operations appropriation under s.20.445(5)(a).

Department of Military Affairs

The department requests the following reallocations of funds into s. 20.465(1)(a) appropriation from other agency GPR state operations appropriations to restore reductions in FY02 and in FY03.

- (a) \$18,500 GPR in FY02 from the emergency management services appropriation under s.20.465(3)(a).
- (b) \$113,600 GPR in FY02 and \$10,000 GPR in FY03 from the youth challenge program appropriation under s.20.465(4)(c).
- (c) \$280,200 GPR in FY03 from the badger challenge program appropriation under s.20.465(4)(b).

Department of Natural Resources

The department requests supplemental expenditure authority and additional position authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s. 20.370(4)(ma) in FY02 and in FY03 as follows:

- (a) \$87,000 PR and 1.0 FTE PR position in each fiscal year in the solid waste management – solid and hazardous waste disposal administration appropriation under s. 20.370(2)(dg).
- (b) \$10,000 SEG in each fiscal year in the wildlife management general program operations appropriation under s.20.370(1)(mu).

The department also requests the following reallocations of funds into s. 20.370(4)(ma) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$34,000 GPR in each fiscal year from the wildlife management and facilities and lands general program operations appropriation under s. 20.370(1)(ma).
- (b) \$185,900 GPR in each fiscal year from the waste management and remediation and redevelopment general program operations appropriation under s. 20.370(2)(ma).
- (c) \$238,000 GPR in each fiscal year from law enforcement and integrated science services general program operations appropriation under s. 20.370(3)(ma).
- (d) \$745,500 GPR in each fiscal year from the resource maintenance and development – state park, forest and riverway roads appropriation under s. 20.370(7)(mc).

Department of Revenue

The department requests supplemental expenditure authority and additional

position authority in non-GPR appropriations in order to accommodate the 5 percent state operations reduction in its general program operations appropriation under s. 20.566(1)(a) in FY02 and in FY03.

- (a) \$47,900 PR and 1.0 FTE PR position in each fiscal year in the debt collection appropriation under s.20.566(1)(h).
- (b) \$12,700 PR in FY02 and \$25,400 PR in FY03 and 0.5 FTE PR position in the Wisconsin property assessment manual appropriation under s.20.566(2)(hi).
- (c) \$9,000 SEG in FY02 and \$18,100 SEG in FY03 and 1.75 FTE PR position in the lottery credit administration appropriation under s.20.566(2)(r).

The department also requests the following reallocations of funds into s. 20.566(1)(a) from other agency GPR state operations appropriations to restore reductions in both FY02 and in FY03.

- (a) \$640,400 GPR in FY02 and \$827,900 GPR in FY03 from the state and local finance, general program operations appropriation under s.20.566(3)(a).
- (b) \$735,400 GPR in FY02 and \$591,900 GPR in FY03 from the administrative services, general program operations appropriation under s.20.566(3)(c).
- (c) \$573,000 GPR in each fiscal year from the integrated tax system appropriation under s.20.566(3)(c).

State Public Defender

The agency requests the following reallocation as part of its proposal to accommodate the overall reductions:

- (a) Transfer \$2,832,700 GPR in FY03 from the trial representation appropriation under s. 20.550 (1)(c) to the private bar appropriation under s. 20.550 (1)(d).

Department of Workforce Development

The department requests the following reallocation of funds into s. 20.445(1)(a) from the following agency GPR state operations appropriation to restore reductions in both FY02 and in FY03.

- (a) \$447,000 GPR in each fiscal year from the economic support, general program operations appropriation under s.20.445(3)(a).



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

November 5, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Administration: Agency Requests for Reallocation of 5% ATB Reductions -- Agenda Item X

INTRODUCTION

Under 2001 Wisconsin Act 16, most GPR-funded agencies had a 5% reduction taken each year in their state operations budget (excluding appropriations for fuel and utility costs and debt service payments). In the budget, this reduction was generally accomplished for each affected agency by calculating 5% of the adjusted GPR state operations base for the agency and then deducting that entire amount from the agency's largest GPR state operations appropriation. However, for those agencies with more than one GPR state operations appropriation, a provision in Act 16 permits those agencies to request the Joint Committee on Finance under s. 13.10 to reallocate any of the specified reduction allocated to the agency's largest GPR appropriation to other sum certain appropriations for state operations made to that agency that are funded from GPR. Under the bill as passed by the Legislature, the Department of Military Affairs would have been prohibited from requesting any reallocation of the budget reduction to the GPR appropriation for the Badger Challenge program; however, a Governor's partial veto deleted that provision.

Four general points may be noted in regard to this session law provision:

- First, the requests to be presented to the Committee were to be limited solely to a reallocation among GPR appropriations (where an agency had more than one GPR state operations appropriation) of a reduction already taken in the budget in a single appropriation. In other words, an agency may request that some of or all of the reduction as applied in the budget be reallocated to any of the agency's other state operations GPR appropriations, thereby lowering the amount of the reduction to the original appropriation. Further, no submittal under this provision is required if the agency wishes to retain the budget reduction as taken in Act 16.

- Second, the total reduction amount by agency has already been removed from each agency's appropriation and the Committee is not empowered under this provision to restore any of the GPR funding or to shift the reductions between agencies.

- Third, in the event that the Committee does not approve an agency's request for reallocation, the result would merely be that the reduction would remain as taken in the budget or, alternatively, the agency could submit another reallocation request to the Committee under s. 13.10 that proposes a different reallocation than the one submitted in its original request.

- Fourth, there is no provision in the session law language which provides for an agency to submit, as a part of any reallocation request, a request to offset a portion of the GPR reduction that has been already taken in the budget by obtaining an increase in other funding sources to offset the GPR reductions and/or to allow the continuation of existing positions by shifting their funding source from GPR to non-GPR funding sources. [Existing statutory authority does, however, provide that requests for increases in PR or SEG appropriations or position authority may be entertained by the Committee on their own merits under either ss. 16.505/16.515 (for PR funding sources) or s. 13.101 (for SEG funding sources).]

As a part of DOA's responsibilities associated with the implementation of Act 16, the Secretary of DOA, in a September 24, 2001, memorandum to state agency heads, indicated specific actions that state agencies would be required to take in implementing various budget cuts and lapses that are provided for under Act 16. With regard to these 5% across the board reductions, the memorandum indicated that agencies could reallocate these reductions across GPR state operations appropriations as described above and detailed additional requirements including required position eliminations for salary reductions taken in the second year of the biennium. The Secretary asked agencies to submit any such reallocation plans to DOA by October 2, 2001, including specific information regarding "the dollar reductions being transferred, including the allocation to allotment lines; and the position FTE counts being either reallocated or cut by fiscal year." Further, the Secretary's memorandum indicated that, notwithstanding the language of the session law provision, these agency "budget reallocation plans under s. 13.10 may include proposals to shift the funding source for positions and costs."

These agency GPR reallocation plans for those agencies that submitted them, as called for under the DOA directive, are scheduled to be considered en masse in terms of this request from DOA that has been entitled "Request from the Department of Administration on behalf of state agencies proposing reallocations of 5% state operations reductions." As specified in the Act 16 provision, a total of 16 agencies were authorized to submit reallocation plans. Four of those agencies (ECB, WTCS, Tourism and UW System) did not submit any reallocation request. The remaining 12 agencies (DOA, DATCP, Commerce, Corrections, DER, DHFS, Historical Society, DOJ, DMA, DNR, DOR and DWD) submitted requests. Requests were also submitted by four other agencies (Elections Board, Ethics Board, Judicial Commission and State Public Defender) that were not on the list set out in Act 16.

The requests that were submitted can be characterized as being of three types: (1) those requesting only one or more reallocations among agency GPR reductions among state operations appropriations (six agencies: Corrections, Historical Society, Judicial Commission, Military Affairs, State Public Defender and Workforce Development); (2) those requesting both one or more reallocations of GPR appropriations but also requesting non-GPR supplementations and/or position increases "in order to accommodate the 5 percent state operations reduction" in agency general program operations appropriations (seven agencies: DOA, DATCP, Commerce, DHFS, DOJ, DNR and DOR); and (3) those requesting only non-GPR supplementations and/or position increases (three agencies: DER, Elections Board and Ethics Board).

The requests from each of these 16 agencies are reviewed below. For each agency, a summary table comparing the budget reduction under Act 16 and the net impact of the reduction under the agency request is first presented. Then a brief description of the request is presented, followed by alternatives for consideration by the Committee.

ADMINISTRATION

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) Supervision and Management -- General Program Operations	GPR	-\$719,000	-\$719,000	-\$433,200	-\$433,200	-3.20	-3.20
(4)(a) Adjudication of Tax Appeals	GPR	0	0	-31,200	-31,200	-1.00	-1.00
(4)(f) Hearings and Appeals Operations	GPR	0	0	-55,000	-55,000	0.00	0.00
(6)(a) Office of Justice Assistance -- General Program Operations	GPR	0	0	-17,500	-17,500	-0.25	-0.25
(7)(a) Housing Assistance -- General Program Operations	GPR	0	0	-182,100	-182,100	-3.05	-3.05
GPR Total		-\$719,000	-\$719,000	-\$719,000	-\$719,000	-7.50	-7.50
(6)(m) Federal Aid -- Justice Assistance	FED	\$0	\$0	\$17,500	\$17,500	0.25	0.25
(1)(kj) Financial Services	PR	\$0	\$0	\$94,600	\$94,600	0.80	0.80
(7)(kg) Housing Program Services	PR	0	0	89,100	89,100	1.95	1.95
PR Total		\$0	\$0	\$183,700	\$183,700	2.75	2.75
(1)(v) Environmental Improvement -- General Program Operations	SEG	\$0	\$0	\$47,100	\$47,100	0.40	0.40
All Funds Total		-\$719,000	-\$719,000	-\$470,700	-\$470,700	-4.10	-4.10

1. **Reallocation of GPR Reductions.** The Department of Administration (DOA) was required by 2001 Wisconsin Act 16 to make a \$719,000 base level reduction annually to its largest GPR state operations appropriation. The agency requests that \$285,800 GPR annually of the

required reduction be reallocated to the four other GPR-funded state operations appropriations indicated in the above table.

a. *Adjudication of Tax Appeals.* The agency requests that \$31,200 GPR annually of the required reduction be reallocated to the adjudication of tax appeals appropriation. The reduction would be applied against salary and fringe benefits amounts associated with a position whose incumbent is retiring. The proposed reduction would also include the elimination of 1.0 GPR position at the Tax Appeals Commission, which is attached administratively to DOA.

b. *Hearings and Appeals Operations.* The agency requests that \$55,000 GPR annually of the required reduction be reallocated to the appropriation that funds the Division of Hearings and Appeals. The reduction would be applied by imposing a reduction of approximately 20% on the Division's GPR-funded supplies and services line.

c. *Office of Justice Assistance General Program Operations.* The agency requests that \$17,500 GPR annually of the required reduction be reallocated to the appropriation that funds the Office of Justice Assistance, which is attached administratively to DOA. The reduction would be applied by deleting \$7,000 GPR annually of supplies and services costs associated with audit costs and \$10,500 GPR annually in salary and fringe benefits costs associated with 0.25 GPR positions. All of these costs would be reallocated to the Office's state operations federal aid appropriation [s. 20.505(6)(m)].

d. *Housing Assistance General Program Operations.* The agency requests that \$182,100 GPR annually of the required reduction be reallocated to the appropriation that funds the general program operations of the Division of Housing and Intergovernmental Relations. The reduction would be applied by deleting the salary and fringe benefits amounts associated with 3.05 GPR positions and by imposing reductions to the Division's supplies and services line. A portion of the position reductions associated with 1.95 FTE positions would be converted to PR funding, based on an accounting of the time these positions are engaged in PR-supported activities (see item 2b below). The supplies and services reductions would be applied to functions where federal matching funds would not be placed in jeopardy as a result of the reduction.

2. **Increases in Non-GPR Appropriations and Positions.** The agency also requests increased funding and position authorizations for the non-GPR appropriations indicated in the above table to accommodate the 5% state operations reduction.

a. *Financial Services.* The agency requests increased expenditure authority of \$94,600 PR and authorization of 0.80 PR position annually under its financial services appropriation to reflect the conversion GPR-funded administrative costs to this appropriation. The financial services appropriation is funded from charges to other state agencies for providing accounting, auditing, payroll and other financial services, amounts transferred from the State Treasurer's general program operations appropriation for services provided to that Office. The proposed conversion of

a portion of GPR-funded costs to the financial services appropriation would have the effect of increasing the amounts charged to other state agencies to support this appropriation.

b. *Housing Program Services.* The agency requests authorization of 1.95 PR positions annually under its housing program services appropriation to reflect the conversion GPR-funded administrative costs to this appropriation. Since this appropriation is an "all monies received" continuing appropriation, there is no corresponding request for additional expenditure authority for this appropriation. However, the agency estimates that approximately \$89,100 PR annually of additional salary and fringe benefits costs would be incurred through this conversion. The appropriation is funded from charges to other agencies for housing-related program administration costs.

c. *Environmental Improvement General Program Operations.* The agency requests an additional \$47,100 SEG and 0.40 SEG positions under its environmental improvement general program operations appropriation to reflect the conversion GPR-funded administrative costs to this appropriation. Funding for this appropriation is derived from the environmental improvement fund for administration of the clean water fund program, the environmental improvement fund, the land recycling loan program and the safe drinking water loan program.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by DOA, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:
 - a. Adjudication of tax appeals.
 - b. Hearings and appeals operations.
 - c. Office of Justice Assistance general program operations.
 - d. Housing assistance general program operations.
3. Deny all requested GPR funding changes.

B. Increases in Non-GPR Appropriations and Positions

1. Approve the non-GPR appropriation and position changes requested by DOA, as shown in the table.

2. Modify Alternative 1 by deleting the requested non-GPR funding changes related to any one or more of the following items:

- a. Federal aid -- Office of Justice Assistance.
 - b. Financial services.
 - c. Housing program services.
 - d. Environmental improvement general program operations.
3. Deny all requested non-GPR funding changes.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) Food Safety and Consumer Protection	GPR	-\$1,013,200	-\$1,013,200	-\$390,400	-\$364,600	-5.025	-5.025
(2)(a) Animal Health Services	GPR	0	0	-153,000	-153,000	-3.00	-3.00
(3)(a) Marketing Services	GPR	0	0	-233,600	-259,400	-2.00	-2.00
(7)(a) Agricultural Resource Management	GPR	0	0	-121,000	-121,000	-2.00	-2.00
(8)(a) Management Services	GPR	0	0	-115,200	-115,200	-2.00	-2.00
GPR Total		-\$1,013,200	-\$1,013,200	-\$1,013,200	-\$1,013,200	-14.025	-14.025
(1)(m) Federal Funds -- Food Inspection	FED	\$0	\$0	\$8,900	\$8,900	0.25	0.25
(1)(gb) Food Regulation	PR	\$0	\$0	\$45,900	\$45,900	1.00	1.00
(1)(gm) Dairy Trade Regulation	PR	0	0	25,400	25,400	0.40	0.40
(1)(j) Weights and Measures Inspection	PR	0	0	63,600	63,600	1.00	1.00
(1)(hm) Ozone-depleting Refrigerants	PR	0	0	22,100	22,100	0.50	0.50
(2)(ha) Animal Health -- Inspection, Testing and Enforcement	PR	0	0	118,000	118,000	2.00	2.00
(3)(L) Something Special From Wisconsin	PR	0	0	0	0	0.00	0.00
(8)(kL) Management Services -- Charge-backs	PR	0	0	61,700	61,700	1.00	1.00
PR Total		\$0	\$0	\$336,700	\$336,700	5.90	5.90
(1)(q) Dairy, Grain and Vegetable Security	SEG	\$0	\$0	\$23,600	\$23,600	0.50	0.50
(7)(r) Agrichemical Management	SEG	0	0	116,600	116,600	2.00	2.00
SEG Total		\$0	\$0	\$140,200	\$140,200	2.50	2.50
All Funds Total		-\$1,013,200	-\$1,013,200	-\$527,400	-\$527,400	-5.375	-5.375

1. **Reallocation of GPR Reductions.** Under 2001 Act 16, DATCP was required to reduce their largest GPR state operations appropriation (related to food safety and consumer protection) by \$1,013,200 annually. DATCP requests that \$622,800 in 2001-02 and \$648,600 in

2002-03 in reductions be reallocated to other GPR appropriations. To meet the 5% reduction, the Department requests the deletion of 14.025 GPR positions.

a. *Food Safety and Consumer Protection.* The Department funds food safety, meat and poultry inspection, warehouse keeper, grain regulation and trade and consumer protection programs from this appropriation. From the Department's food safety program, the request includes: (1) eliminating 0.875 vacant program assistant and related funding of \$27,700 annually; (2) eliminating 0.5 vacant meat inspector and related funding of \$20,400 annually; (3) freezing a vacant program assistant position for savings of \$11,300 in 2001-02; (4) annually reducing supplies and services of \$78,200 and \$48,700 in permanent property; (5) deleting 0.25 program assistant position with annual funding of \$8,900; and (6) deleting 1.0 food safety inspector position with annual funding of \$45,900. From the Department's meat and poultry inspection area, DATCP would freeze a vacant meat inspector position for savings of \$14,500 in 2001-02. From the Department's warehouse keeper and grain dealer regulation program, DATCP would eliminate a 0.5 grain auditor position with annual funding of \$23,600. The reallocation plan includes eliminating 1.9 positions with \$111,200 annually from the trade and consumer protection program as follows: (1) 0.40 financial specialist with \$25,400 annually; (2) 0.50 consumer protection investigator supervisor with \$27,100; (3) 0.50 metrologist with \$36,600; (4) 0.25 budget and policy division supervisor with \$13,500; and (5) 0.25 financial specialist with \$8,600. Under the Department's request, \$390,400 in 2001-02 and \$364,600 in 2002-03 with 5.025 positions annually would be eliminated from the food safety and consumer protection area.

b. *Animal Health.* A total of 3.0 positions and \$153,000 would be eliminated annually as follows: (1) 1.0 vacant animal health inspector with \$35,000; (2) 1.0 program assistant with \$43,500; and (3) 1.0 veterinary specialist with \$74,500.

c. *Marketing Services.* DATCP requests to eliminate funding as follows: (1) \$37,800 in 2001-02 and \$94,500 in 2002-03 for 1.0 agricultural services bureau director who is expected to retire; (2) \$87,500 annually for 1.0 vacant administrative manager positions; (3) \$84,900 in 2001-02 and \$54,000 in 2002-03 for marketing supplies and services; and (4) \$23,400 annually from reduced LTE expenditures.

d. *Agricultural Resource Management.* DATCP requests GPR reductions annually as follows: (1) 2.0 positions related to nutrient management planning with \$116,600; and (2) \$4,400 in supplies and services.

e. *Management Services.* DATCP requests GPR reductions as follows: (1) 1.0 vacant information services technology position with \$45,400 annually; (2) 1.0 training officer position with \$61,700 annually; and (3) supplies and services of \$8,100 annually.

2. **Increases in Non-GPR Appropriations and Positions.** DATCP requests that \$485,800 and 8.65 positions annually be reallocated to different funding sources to retain functions that would otherwise be eliminated by the GPR reductions.

a. *Food Inspection.* DATCP requests annual funding of \$8,900 FED to restore the 0.25 food inspection program assistant position deleted in the GPR reduction.

b. *Food Regulation.* Request annual funding of \$45,900 PR to restore 1.0 food safety inspector position deleted in the GPR reduction. Fees charged for food regulation activities would support the food safety inspector position.

c. *Dairy Trade Regulation.* Request \$25,400 from dairy trade regulation program revenues to restore 0.40 financial specialist position. The dairy trade financial specialist position would be paid for from fees received from manufacturers or processors of selected dairy products on the sale of those products.

d. *Weights and Measures Inspection.* Request \$63,600 to restore 0.50 consumer protection investigator supervisor and 0.50 metrologist positions in the weights and measures program. Both the investigator and metrologist positions would be paid from a weights and measures appropriation that receives revenue mainly from municipalities that contract with DATCP for services; other fees are received from vehicle scale operators, grocery stores, those using the state measurement center laboratory, feed dealers and weights and measures servicing companies.

e. *Ozone-Depleting Refrigerants.* Request \$22,100 to restore 0.25 budget and policy division supervisor and 0.25 financial specialist positions in the Department's ozone-depleting refrigerants program. The budget and policy and financial specialist positions would be paid for from revenues received from registration fees from businesses that work with mobile air conditioners.

f. *Animal Health.* Request annual funding of \$43,500 PR to restore 1.0 program assistant position and \$74,500 PR to restore 1.0 veterinary specialist position deleted in the GPR reduction. Program revenues are collected from livestock market, dealer and trucker licenses, livestock vehicle registrations, livestock health certificates and deer and fish farm registrations.

It appears the program revenue accounts under "b" through "f" above have adequate revenue streams to provide the additional expenditure authority requested in this biennium without raising fees.

g. *Something Special From Wisconsin.* In the Marketing Division, DATCP intends to internally reallocate \$8,800 in 2001-02 and \$17,500 in 2002-03 in supplies and services from the Department's "Something Special from Wisconsin" PR promotion appropriation. Revenues are collected from fees charged for use of the "Something Special from Wisconsin" mark, slogan and logo. The Department indicates that existing spending authority is adequate to make the proposed expenditures.

h. *Management Services.* The request includes annual funding of \$61,700 PR to restore 1.0 training officer position. The program revenue is derived from charge-backs to other

agency appropriations, which decreases the amount of funding available from those charged appropriations.

i. *Dairy, Grain and Vegetable Security.* In the Department's warehouse keeper and grain dealer regulation program, the proposal would provide annual funding of \$23,600 SEG to restore a 0.5 grain auditor position deleted in the GPR reduction. Fees collected through the new agricultural producer security program from industry assessments on grain dealers, grain warehouse keepers, milk contractors and vegetable contractors would support the position.

j. *Agrichemical Management.* In the Department's Agricultural Resource Management Division, the agency requests annual funding of \$116,600 SEG from the agrichemical management (ACM) fund to restore 2.0 positions related to nutrient management planning. Revenues in the ACM fund are collected from several feed, fertilizer and pesticide license and tonnage fees. DATCP has recently formed an advisory committee to discuss options to raise fees for the ACM fund, as the Department is projecting that with current revenues and authorized expenditures, the current fund balance would be depleted during the 2003-05 biennium. Providing additional expenditure authority from the ACM fund would hasten the balance decline in the fund and require either expenditure reductions elsewhere in the program or an increase in fees sooner than otherwise would be necessary.

According to DATCP officials, if the requested restorative PR or SEG expenditure authority is not provided, the Department prefers not to eliminate those GPR positions and funding. If the Committee were only to approve the GPR reallocation or were to deny the request, DATCP could submit a future reallocation request to the Committee under s. 13.10.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by DATCP, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding and position changes related to any one or more of the following items:
 - a. Animal health services.
 - b. Marketing services.
 - c. Agricultural resource management.
 - d. Management services.
3. Deny all requested GPR funding changes.

B. Increases in Non-GPR Appropriations and Positions

1. Approve the non-GPR appropriation and position changes requested by DATCP, as shown in the table.
2. Modify Alternative 1 by deleting the requested funding and position changes related to any one or more of the following items:
 - a. Federal food inspection.
 - b. Food regulation PR.
 - c. Dairy trade regulation PR.
 - d. Weights and measures inspection PR.
 - e. Ozone-depleting refrigerants PR.
 - f. Animal health -- inspection, testing and enforcement PR.
 - g. Something Special from Wisconsin PR.
 - h. Management services -- charge-backs PR.
 - i. Dairy, grain and vegetable security SEG.
 - j. Agrichemical management SEG (DATCP expects the current fund balance to be depleted during the 2003-05 biennium without this reallocation of 2.0 staff).
3. Deny all requested non-GPR funding changes.

COMMERCE

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) Economic and Community Development	GPR	-\$411,700	-\$411,700	-\$256,500	-\$256,500	-0.90	-0.90
(1)(b) Economic Development Promotion	GPR	0	0	-9,000	-9,000	0.00	0.00
(1)(dr) Main Street Program	GPR	0	0	-14,200	-14,200	0.00	0.00
(4)(a) Administrative Services	GPR	0	0	-132,000	-132,000	-1.50	-1.50
GPR Total		-\$411,700	-\$411,700	-\$411,700	-\$411,700	-2.40	-2.40
(4)(kd) Administrative Services	PR	\$0	\$0	\$112,000	\$112,000	1.50	1.50
(1)(g) Gifts, Grants and Proceeds	PR	0	0	20,800	20,800	0.40	0.40
PR Total		\$0	\$0	\$132,800	\$132,800	1.90	1.90
(1)(qa) Brownfields Redevelopment Activities	SEG	\$0	\$0	\$20,400	\$20,400	0.50	0.50
All Funds Total		-\$411,700	-\$411,700	-\$258,500	-\$258,500	0.00	0.00

1. **Reallocation of GPR Reductions.** Act 16 reduced the Department of Commerce's (Commerce) economic and community development general program operations appropriation by \$411,700 GPR annually to generate the 5% cost reduction. The Commerce plan would reallocate \$155,200 annually of its total reduction to other state GPR appropriations as follows:

a. *Economic and Community Development General Program Operations.* Delete \$256,500 (rather than \$411,700 under Act 16) and 0.9 GPR position annually from the economic and community development general program operations appropriation.

b. *Economic Development Promotion.* Delete \$9,000 GPR annually in supplies from the economic development promotion appropriation.

c. *Main Street Program.* Delete \$14,200 GPR annually in supplies and services funding from the Main Street program.

d. *Administrative Services.* Delete \$132,000 GPR annually with 1.5 GPR positions from the administrative services general operations appropriation. This reduction would include \$20,000 GPR annually from the rent account.

2. **Increases in Non-GPR Appropriations and Positions.** Commerce also requests the following non-GPR appropriation and position changes:

a. *Administrative Services.* Commerce requests \$47,700 PR and 1.0 PR position annually to convert a Division of Administrative Services position to program revenues. The position has primary budget and policy responsibilities for the Division of Environmental and Regulatory Services, which is SEG funded. The source of program revenue would be charges to the

Division for services performed. However, additional expenditure authority is not provided for the Division to pay the additional charges and therefore the Division would have to fund the new charges with existing expenditure authority. Further, provide \$64,300 PR and 0.5 PR position annually to convert one-half of the Secretary of Commerce's position to program revenues. The rationale for the funding conversion would be that the Secretary has policy and administrative responsibilities related to Departmental programs that are funded by SEG, FED and PR. The source of program revenues would be fees charged to the Department's non-GPR funded programs. However, additional expenditure authority is not provided to pay the additional charges and therefore the Department would have to fund the new charges with existing expenditure authority.

b. *Gifts Grants and Proceeds.* Request \$20,800 PR and 0.4 PR position annually in the economic and community development gifts, grants and proceeds appropriation to convert the funding source of 0.4 grants specialist to reflect its activities in administering the industrial revenue bond (IRB) program. Fees assessed under the IRB program would be a source of program revenue funding

c. *Brownfield Redevelopment Activities.* Commerce requests \$20,400 SEG and 0.5 SEG position annually in the brownfields grant program administration appropriation to convert the funding source of 0.5 executive staff assistant position to reflect its activities in administering the brownfields grant program. The source of SEG funding would be the petroleum inspection fund.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by Commerce, as shown in the table.

2. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:

- a. Economic Development Promotion.
 - b. Main Street Program.
 - c. Administrative Services.
3. Deny all requested GPR funding changes.

B. Increases in Non-GPR Appropriations and Positions

1. Approve the non-GPR appropriation and position changes requested by Commerce, as shown in the table.

2. Modify Alternative 1 by deleting the requested funding changes relating to any one or more of the following items:

- a. Administrative Services PR.
 - b. Gifts, grants and proceeds PR.
 - c. Brownfields Redevelopment Activities SEG.
3. Deny all requested non-GPR funding changes.

CORRECTIONS

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) General Program Operations	GPR	-\$1,756,300	-\$1,756,300	-\$529,200	-\$772,200	0.00	0.00
(1)(b) Services for Community Corrections	GPR	0	0	-788,900	-788,900	-20.75	-20.75
(1)(bm) Pharmacological Treatment for Certain Child Sex Offenders	GPR	0	0	-200,000	-1,900	0.00	0.00
(1)(f) Energy Costs	GPR	0	0	-32,000	-37,800	0.00	0.00
(1)(aa) Institutional Repair and Maintenance	GPR	0	0	-9,400	-12,300	0.00	0.00
(1)(ab) Corrections Contracts and Agreements	GPR	0	0	-194,600	-140,600	0.00	0.00
(3)(a) General Program Operations -- Division of Juvenile Corrections	GPR	0	0	-2,200	-2,600	0.00	0.00
GPR Total		-\$1,756,300	-\$1,756,300	-\$1,756,300	-\$1,756,300	-20.75	-20.75

Reallocation of GPR Reductions. Under 2001 Act 16, the Department of Corrections' largest GPR state operations appropriation (general program operations (s. 20.410(1)(a)) was reduced by \$1,756,300 in each year to generate the 5% cost reduction. The total reduction amount was derived by making a reduction of 5% to Corrections' central office costs. Corrections' redistribution plan would reallocate \$1,227,100 GPR in 2001-02 and \$984,100 GPR in 2002-03 to six other departmental GPR appropriations and eliminate 20.75 GPR positions annually. The Department's plan to redistribute the reduction is identified below:

a. *General Program Operations.* Corrections' plan would decrease supplies and services funding by \$529,200 GPR in 2001-02 and \$772,200 GPR in 2002-03. The appropriation provides GPR funding for adult correctional institutions and agency administrative services. According to Corrections, the Division of Adult Institutions "will need to take the largest funding reduction and will be the division most affected by the reductions" to this appropriation. Funding allocations to the institutions by Corrections' central office will be reduced and the individual institutions will determine the specific cost reductions. Corrections indicates that reductions could occur in areas such as educational supplies, offender treatment, security training and health care

supplies and services. As a result of the reductions, total general program operations funding under the plan would be \$373,556,200 GPR in 2001-02 and \$404,681,100 GPR in 2002-03. Since the Act 16 reductions were made to the general program operations appropriation, at a minimum the reduction identified in the plan will occur in that appropriation.

b. *Services for Community Corrections.* The plan would reduce funding in the Division of Community Corrections by \$788,900 GPR annually and delete 20.75 GPR agent positions.

In the 2001-03 biennial budget, an additional 20.0 community supervision agents in 2001-02 and 39.25 agents in 2002-03 were provided for the Division of Community Corrections. The increased positions were intended to provide an estimated agent-to-offender ratio for all offenders, excluding the enhanced supervision program, of one agent to 47 offenders.

Under the reduction in the plan, the agent-to-offender ratio would increase from an estimated one agent to 47 offenders under Act 16 to one agent to 47.8 offenders. According to Corrections, the agent positions to be eliminated under the plan "were never allocated to the field in order for the division to meet unfunded salary obligations" in the 1999-01 biennium. As of September, 2001, Corrections had 69 vacant entry-level agent positions.

The Committee should note:

- In connection with other required reductions in expenditures under Act 16 sections 9101 (26) and (23r), Corrections has recommended to DOA that community corrections funding be reduced by an additional \$541,600 GPR and 14.25 GPR positions annually. According to Corrections, the positions have been vacant for nine months or more. The reductions made in accordance with these provisions are not subject to Committee review and approval. When taken in combination with reductions proposed in the 5% cost reduction, a total of 35 agent positions would be eliminated and the agent-to-offender ratio increased to one agent to 48.4 offenders.

- Corrections indicates that the increased probation and parole positions provided in the 2001-03 budget are not impacted by the reductions proposed in the plan and that Corrections "maintains the flexibility to allocate these positions to the field as workload concerns dictate. In addition, 34.00 FTE [full-time equivalent] probation and parole agents remain from the 1999-01 biennial budget. Of these positions, 20.00 FTE were recently allocated to the Milwaukee area to reduce caseload."

- Even at the higher agent-to-offender ratios resulting from spending reductions, because community supervision populations estimated in Act 16 were lower than in the 1999-01 biennium and because additional agent positions were provided in Act 16, the budgeted agent-to-offender ratio in the 2001-03 biennium is projected to be lower than in the 1999-01 biennium (one agent to every 54 offenders).

c. *Pharmacological Treatment of Certain Child Sex Offenders.* The plan would reduce funding for the pharmacological treatment of certain child sex offenders (chemical

castration) program by \$200,000 GPR in 2001-02 and \$1,900 GPR in 2002-03. Corrections indicates that the "program funded under this appropriation is unlikely to expend the full appropriation, so the \$200,000 cut in FY02 should not have an impact on the program, nor should the \$1,900 base cut proposed in FY03." The Committee should note, however, that there are two s. 13.10 requests currently before the Committee that reduce funding for the chemical castration program: (a) this cut proposed by the Department of Corrections as part of the 5% reductions; and (b) additional prosecutor positions proposed by the Department of Administration (-\$387,900 GPR in 2002-03 and -\$400,000 GPR in 2002-03). If both reductions are made, funding remaining to support the chemical castration program would be \$88,100 in 2001-02 and \$274,100 in 2002-03. According to Corrections, expenditures and encumbrances to date are \$74,400. Corrections indicates that at this reduced funding level it would not be able to continue to operate the program in 2001-02 and would wean the three current participants from treatment. The program would then need to be restarted in 2002-03.

In preparing the District Attorneys s. 13.10 request, DOA indicates that it assumed that the \$200,000 reduction in 2001-02 contained in the 5% cost reduction request would not be made from the chemical castration appropriation but taken from another appropriation. If the \$200,000 GPR reduction to the chemical castration program in 2001-02 is not approved by the Committee, the reduction would remain in the Department's general program operations appropriation (s. 20.410(1)(a)). Alternatively, Corrections recommends that the \$200,000 reduction be applied to the community corrections appropriation. As a result, approximately 7.0 agent positions would be held vacant during 2001-02. This would, in addition to the reductions identified above, increase the agent-to-offender ratio to one agent to 48.7 offenders in 2001-02.

d. *Energy Costs.* The plan would reduce the Department's energy costs appropriation by \$32,000 GPR in 2001-02 and \$37,800 GPR in 2002-03. Corrections indicates that it "will make every effort to reduce the amount of energy usage. The impact of this cut will be affected by the weather and the cost of energy over the biennium." The Committee should note that Act 16 placed \$454,500 GPR in 2001-02 and \$346,200 GPR in 2002-03 in the Joint Committee on Finance's supplemental appropriation reserved for possible release to Corrections for energy costs under s. 13.10.

d. *Institutional Repair and Maintenance.* The plan would reduce the Department's institutional repair and maintenance appropriation by \$9,400 GPR in 2001-02 and \$12,300 GPR in 2002-03. The appropriation is used for materials, supplies, equipment and contracts for services involving the repair and maintenance of structures and equipment owned by Corrections. Corrections indicates that the reduction will result is a delay in some maintenance projects.

f. *Corrections Contracts and Agreements.* The plan would reduce the corrections contracts and agreements appropriation by \$194,600 GPR in 2001-02 and \$140,600 GPR in 2002-03. This would reduce the average daily inmate population in out-of-state contract beds by 12 in 2001-02 (to 4,085) and by 9 in 2002-03 (to 2,336). As a result of the reductions, total funding in the appropriation would be \$79,159,300 GPR in 2001-02 and \$48,940,400 GPR in 2002-03.

g. *General Program Operations--Juvenile Corrections.* The plan would reduce the general program operations appropriation for juvenile corrections by \$2,200 GPR in 2001-02 and \$2,600 GPR in 2002-03. Corrections indicates that these reductions would be made to supplies and services.

Alternatives

1. Approve the GPR funding and position changes requested by the Department of Corrections, as shown in the table.

2. Modify Alternative 1 by deleting the \$200,000 GPR reduction in 2001-02 in the pharmacological treatment for certain child sex offenders appropriation (s. 20.410(1)(bm)), and instead reducing the services for community corrections appropriation (s. 20.410(1)(b)) by \$200,000 GPR in 2001-02.

3. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:

- a. Services for community corrections.
 - b. Pharmacological treatment for certain child sex offenders [Alternative 3b cannot be selected in conjunction with Alternative 2].
 - c. Energy costs.
 - d. Institutional repair and maintenance.
 - e. Corrections contracts and agreements.
 - f. General program operations, juvenile corrections.
4. Deny the request.

ELECTIONS BOARD

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) General Program Operations	GPR	-\$45,700	-\$45,700	-\$45,700	-\$45,700	0.00	0.00
(1)(h) Materials and Services	PR	\$0	\$0	\$10,000	\$10,000	0.00	0.00
(1)(i) General Program Operations	PR	<u>0</u>	<u>0</u>	<u>8,000</u>	<u>8,000</u>	<u>0.00</u>	<u>0.00</u>
PR Total		\$0	\$0	\$18,000	\$18,000	0.00	0.00
All Funds Total		-\$45,700	-\$45,700	-\$27,700	-\$27,700	0.00	0.00

Increases in Non-GPR Appropriations. The Elections Board requests that: (a) its material and services appropriation be increased by \$10,000 PR annually; and (b) its general program operations program revenue appropriation be increased by \$8,000 PR annually.

The Board proposes to utilize the increased PR expenditure authority to shift a portion of its costs from its reduced GPR appropriation. In order to generate additional revenue to support an increase of \$10,000 PR annually in the materials and services appropriation, the Board is considering the following additional revenue generators: (a) increasing the photocopy charge, if a requester makes the copies, from 15 cents per page to 20 cents per page; (b) increasing the photocopy charge, if Board staff make the copies, from 20 cents per page to 25 cents per page; (c) increasing the annual subscription service fee for those receiving advanced Board agendas and information packets from \$75 annually to \$85 annually; and (d) charging county clerks for attending election training sessions. These revenue generators are estimated to generate sufficient additional revenue to support the higher expenditure level.

The Board also requests an additional \$8,000 PR annually for its general program operations program revenue appropriation. There appears to be sufficient revenues in the appropriation to support the higher expenditure authority in this biennium because of the \$15,600 opening balance in 2001-02. In future biennia, current revenues may not support the proposed higher expenditure authority (the projected 2004-05 closing balance is \$400). An alternative, therefore, would be to increase the expenditure authority for this appropriation on a one-time basis by \$8,000 PR annually in the 2001-03 biennium.

Alternatives

1. Approve the non-GPR funding changes requested by the Elections Board, as shown in the table.
2. Modify Alternative 1 by providing that the increase of \$8,000 PR annually to the general program operations, program revenue appropriation be provided on a one-time basis in the 2001-03 biennium.

3. Modify Alternative 1 by deleting the requested non-GPR funding changes related to any one or more of the following items:
 - a. Materials and services.
 - b. General program operations, program revenue [Alternative 3b cannot be selected in conjunction with Alternative 2].
4. Deny the request.

EMPLOYMENT RELATIONS

Appropriation	Source	Act 16		Request			
		Funding		Funding		Positions	
		2001-02	2002-03	2001-02	2002-03	2001-02	2002-03
(1)(a) General Program Operations	GPR	-\$304,900	-\$304,900	-\$304,900	-\$304,900	-4.20	-4.20
(1)(jm) Employee Development and Training Services	PR	\$0	\$0	\$31,200	\$31,200	0.40	0.40
All Funds Total		-\$304,900	-\$304,900	-\$273,700	-\$273,700	-3.80	-3.80

Increase in Non-GPR Appropriations and Positions. In its submittal to DOA, the Department of Employment Relations has indicated that it will take its \$304,900 GPR annual reduction by eliminating a total of 4.20 GPR positions. This total reduction is composed of 3.00 full time positions and 0.40 FTE of each of three other positions. These positions are located in the Divisions of Compensation and Labor Relations (1.80 FTE), Merit Recruitment and Selection (2.0 FTE) and Administrative Services (0.40 FTE).

One of the positions affected is a totally GPR-funded position, a chief labor relations specialist position located in the Division of Compensation and Labor Relations. In addition to working on state labor relations contracts and issues, the person in this position also works on employee education and training activities for the Department's Office of Employee Development and Training, particularly with respect to ALM (advanced labor management) courses offered to other state employees. The Department plans to retain the employee as a full-time employee with the same duties, but charge 40% of the person's position to program revenues collected by the Department for courses it offers, including the ALM courses. Thus, under the Department's request an existing 1.0 GPR position would become a 0.60 GPR position and a 0.40 PR position. All of the other GPR positions planned for deletion are currently vacant. The Department indicates that if this 0.40 PR position is not authorized, it would have to delete a different GPR-funded position. The